SECURITY CONSULTING SERVICES AGREEMENT

This Security Consulting Services Agreement (the "Agreement") is made as of October 18, 1999, by and between Philip Morris Incorporated, a Virginia corporation with executive offices located at 120 Park Avenue, New York, New York 10017 ("Philip Morris"), and Sako & Associates, Inc., an Illinois corporation with executive offices located at 3721 Ventura Drive, Suite 100, Arlington Heights, Illinois 60004 ("Sako").

1. Services.

In connection with Philip Morris' 1999 **VIRGINIA SLIMS Refresh & Renew Spa Day** program (the "Program") Sako will provide the following security consulting and development services in connection with various activities (the "Activities") at locations to be designated in Richmond, Virginia; Houston, Texas; Atlanta, Georgia; and Chicago, Illinois (the "Facilities") to be offered to certain Philip Morris consumers (the "Consumers") or at alternative sites selected by Philip Morris.

A. Site Checks.

As requested by Philip Morris, Sako will evaluate physical, technical and operational security to identify potential weaknesses at the Facilities and make recommendations in a Security Assessment Report to be submitted by Sako to Philip Morris (the "Report") that will result in a sound and cost-effective security program for the Program (the "Security Program").

In making its recommendations in connection with the Security Program, Sako will:

(i) discuss security issues and concerns with Philip Morris prior to conducting a survey of each Facility (the "Surveys") and review, as a basis for focusing the Security Program, specific problems previously experienced by Philip Morris;

(ii) schedule and coordinate the Surveys and meetings with representatives of each of the Facilities;

(iii) conduct a review meeting with representatives of each of the Facilities to gather essential information about each Facility and its operations, including information such as:

a) operations,

b) storage provisions,

c) staffing and hours of operation,

d) visitor access and control issues,

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e) security issues and concerns, including past security problems, and

f) the use of security technology;

(iv) perform the Surveys to document physical security characteristics of each Facility, including items such as:

a) doors and door hardware to assure that they provide adequate physical protection, and

b) lighting;

(v) obtain plans or diagrams of each Facility from the respective Facilities (the "Plans") for Sako's further review and for use in preparing the Report;

(vi) work with Facility representatives in reviewing current security and emergency plans;

(vii) document the results of the Surveys and the meetings with Facility representatives;

(viii) document the specific security requirements, concerns, issues and problems experienced;

(ix) analyze the Plans and planned operations to identify potential security weaknesses at each Facility;

(x) develop recommendations for changes or additions to the Plans based on sound principles of security, balancing the physical, technical and operational parameters of each Facility;

(xi) develop any sketches or diagrams that Sako believes will be useful in conveying recommendations and concepts with respect to the Plans;

(xii) submit ten copies of a Report for the Houston, Texas and Richmond, Virginia markets to Philip Morris for review and comment no later than two weeks after the execution of the Agreement;

(xiii) submit ten copies of a Report for the Chicago, Illinois and Atlanta, Georgia markets to Philip Morris for review and comment no later than December 15, 1999;

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(xiv) be available to meet with Philip Morris in person or on the telephone to discuss the draft Report and to receive Philip Morris' comments and input;

(xv) submit ten copies of final revised Reports to Philip Morris no later than one week after receipt of revisions from Philip Morris; and

(xvi) provide such other services relating to the Security Program as reasonably may be requested by Philip Morris.

B. Incident Response Plans.

(i) Structure.

As requested by Philip Morris, Sako will work with Facility representatives to develop a comprehensive Incident Response Plan ("IRP") for each Facility. The IRP will supplement any existing facility emergency action plans. Sako will deliver the IRP to Philip Morris (or its designees) in hard-copy format acceptable to Philip Morris. The IRP will cover the following topics:

a) medical incidents;

b) security situations and incidents, including missing or damaged property, disorderly conduct, demonstration and bomb threat and such other situations as Sako, in its experience, deems necessary to anticipate (The impact of a crime-scene investigation will also be factored into the IRP);

c) emergencies resulting from accidents, including vehicular collisions and other such accidents as may be related to the Activities;

d) fire and life safety at the Facilities, including types of fires, Facility staff involvement and evacuation procedures. Sako will develop plans for the Facilities showing appropriate evacuation routes for inclusion in the IRP and reproduced by Philip Morris for placement or posting at the Facilities;

e) mechanical emergencies;

f) natural disasters, including, without limitation: tornadoes, earthquakes, snow and other severe weather;

g) communication-related problems; and

h) media or government agency inquiry.

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(ii) Research.

Sako will perform the following research services in preparation for developing the IRP:

a. obtain background information from Philip Morris of planning done to date with respect to the IRP;

b. develop and submit to Philip Morris for review and comment, on or before November 1, 1999 a detailed outline of the IRP;

c. finalize the outline of the IRP based on telephone discussions regarding Philip Morris' comments;

d. have discussions with the following persons regarding specific concerns and directions for the content and format of the IRP:

i) members of the Philip Morris Legal Department,

ii) Philip Morris' internal security operations personnel, and

iii) third party experts retained by Philip Morris;

e. identify all parties with IRP response responsibilities or notification or coordination responsibilities;

f. meet with local law enforcement officials, fire departments and providers of emergency medical services to document capabilities, points of contact, response procedures and mutual expectations;

g. develop the specific response procedures for each type of incident identified and for each responsible party;

h. Identify any further information needed and obtain such additional information from sources such as:

i) third parties retained by Philip Morris, including: Gary M. Reynolds & Associates, Inc., D.L. Blair, Inc., the hotels and spas,

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ii) operational departments at Philip Morris, such as Events Marketing, Information Services, Corporate Affairs and Virginia Slims Brand Management, and

iii) law enforcement and other civil emergency response providers.

(iii) Development.

Sako will perform the following services in connection with developing the IRP:

a. develop and submit to Philip Morris and third parties designated by Philip Morris for review, comment and coordination, incident response procedures and processes, including recommended signage and draft plans;

b. review the proposed life safety procedures with third parties designated by Philip Morris, including Gary M. Reynolds & Associates, Inc. ("GMR"), Manis Investigation, Inc. ("Manis") and other designated security vendors, to ensure that the procedures are appropriate, complete and properly coordinated;

c. review incident response procedures with respect to operations with third parties designated by Philip Morris, including, GMR, Manis or other designated security vendors, to ensure completeness, appropriateness and coordination;

d. attend a coordination and review meeting with representatives of the Facilities (if requested to do so by Philip Morris) to discuss incident response procedures with respect to operations to ensure that they are appropriate, complete and properly coordinated;

e. attend coordination and review meetings with other Program team members on an as-needed basis to review aspects of the IRP and procedures to ensure that they are appropriate, complete and coordinated with respect to such members' department or functional entity;

f. develop notification lists with telephone numbers (as appropriate) and integrate into the IRP;

g. assign Levels 1, 2, 3 or 4 to each incident type and review with Philip Morris' Legal, Security, Virginia Slims Brand Management, Corporate Affairs and Event Marketing departments;

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h. develop coordination and reporting requirements and assign these to each incident; and

i. prepare a draft of the complete IRP.

(iv) Revisions.

Sako will perform the following services in connection with the draft IRP:

a. make revisions to the IRP resulting from the Philip Morris review and submit ten draft copies of the IRP to Philip Morris for review and comment on or before November 17, 1999;

b. attend a review meeting with Philip Morris and other Program team members at Philip Morris' offices in New York to perform a detailed review of the IRP, to discuss issues and comments and to agree to any modifications that Philip Morris may deem necessary or desirable;

c. update, modify and expand the IRP based on the results of the review meeting;

d. complete a final draft of the IRP and submit ten copies to Philip Morris for final review and comment on or before December 3, 1999;

e. attend a final review meeting with key members of the Philip Morris Program team to discuss the final draft of the IRP and agree to any modifications that Philip Morris may deem necessary or desirable;

f. make the final changes to the IRP and send copies of the IRP for each individual on the distribution list developed by Sako and Philip Morris and additional copies requested by Philip Morris, each bound into three-ringed binders, to Philip Morris on or before December 20, 1999; and

g. make additional revisions to the IRP on an ongoing basis at the request of Phiip Morris and distribute amended pages.

(v) Training.

Sako will perform the following training services in connection with the IRP:

a. develop training materials to be incorporated into the staff training program and coordinate with Philip Morris

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training representatives (the "Training Team") and other Program team members as may be necessary;

b. attend planning and coordination meetings with the Training Team to assist in development of the training program and scenarios development to be used for training on the IRP response procedures and other related areas;

c. if and when requested by Philip Morris, participate in the training of the Program staff, including training on the use of the computerized incident reporting format and email procedures to forward reports to Philip Morris, at a location or locations to be agreed upon by the parties (the "IRP Training");

d. if and when requested by Philip Morris, participate in one week of training at the Facilities to further refine the IRP and response procedures;

e. obtain review comments and input from participants in the IRP Training;

f. discuss the review comments and lessons learned from the IRP Training with Philip Morris and make such modifications to the IRP as Philip Morris will deem necessary or desirable; and

g. make modifications to the IRP to incorporate any changes resulting from the IRP Training and send updated pages to the IRP to Philip Morris for incorporation into the IRP.

(vi) Miscellaneous.

Sako will provide such other services relating to the IRP as reasonably may be requested by Philip Morris.

C. ERT Notification Cards.

Sako will prepare and submit draft Emergency Response Team ("ERT") notification cards for each Facility and for the Philip Morris New York Office (the "NYO"). The ERT notification card will contain the names and contact numbers for the on-site and NYO ERTs. Initially, each ERT notification card will be submitted to Philip Morris in draft form for review and comments prior to distribution. Final ERT notification cards for each Facility will be submitted to Philip Morris no later than one month prior to the test date for each Facility.

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D. RFP For Security Agents and Namecheck.

Sako will prepare a draft Request For Proposal ("RFP") which will be submitted to Philip Morris for review and comments within two weeks after the date of the Agreement. A final RFP will be submitted to prospective bidders by November 12, 1999, with proposals due no later than December 15, 1999, after Sako has obtained fully executed non-disclosure agreements in a form acceptable to Philip Morris. Sako will be responsible for: responding to questions from bidders, with Philip Morris input as necessary; receiving and reviewing proposals from bidders; forwarding proposals to Philip Morris within five days after receipt of them; and submitting an analysis of the proposals, along with a recommendation, within fourteen days after all proposals have been received.

E. Name Checks.

As requested by Philip Morris, Sako will continue to be available to provide advice and assistance to address and correct problems encountered in utilizing the name check software.

F. Miscellaneous

Sako will attend two planning meetings as may be requested by Philip Morris in New York, New York and in each of the following markets: Richmond, Virginia; Houston, Texas; Atlanta, Georgia; Chicago, Illinois. Sako will also attend meetings in other locations and provide such other services relating to security matters as reasonably may be requested by Philip Morris.

2. Payment.

In full and complete consideration of all services performed pursuant to the Agreement, Philip Morris will pay Sako a professional fee of $49,200.00 in accordance with the budget attached hereto as Exhibit A ("Exhibit A"). Total fee payments to Sako throughout the term of the Agreement will not exceed $49,200.00 without the advance, written approval of Philip Morris. Philip Morris will pay Sako on a monthly basis within thirty days after Philip Morris' receipt of itemized invoices detailing the services performed.

3. Expenses.

Philip Morris will reimburse Sako, at cost, for reasonable, competitively priced business expenses incurred in providing the services in accordance with Exhibit A. Total reimbursement for expenses incurred in connection with the Program throughout the term of the Agreement will not exceed $17,300.00 without the advance, written approval of Philip Morris. Requests for reimbursement must be itemized and submitted monthly. Philip Morris will reimburse expenses within thirty days after Philip Morris' receipt of itemized invoices. Expenses in excess of $25 must be submitted with receipts. Expenses in excess of $500 must be approved in advance by Philip Morris. Out-of-town travel will be reimbursed at the coach class rate or other equivalent class unless otherwise approved in advance by Philip Morris.

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4. Term and Termination.

The term of the Agreement will commence upon execution of the Agreement, and will continue through the later of October 31, 2000, or complete performance to the satisfaction of Philip Morris.

Philip Morris may terminate the Agreement at any time, with or without cause, upon thirty days' advance, written notice to Sako. If Philip Morris terminates the Agreement without cause, Philip Morris will have no liability to Sako after the date of termination specified in Philip Morris' notice of termination, with the exception of payment of fees earned for services satisfactorily performed, and documented expenses properly incurred, by Sako prior to the date of termination specified in Philip Morris' notice of termination. Upon Sako's receipt of notice of termination, Sako will immediately cease providing services and incurring expenses hereunder, unless otherwise approved in writing by Philip Morris.

If any federal, state, municipal or local law, regulation, ordinance, order, ruling, judgment, consent decree or other governmental action becomes effective that makes the promotion of tobacco products as contemplated by the Agreement unlawful or impracticable or materially reduces the value of the Agreement to Philip Morris, the Agreement may be terminated by Philip Morris as of the effective date of the law, regulation, ordinance, order, ruling, judgment, consent decree or action. If the Agreement is so terminated, Philip Morris will have no liability to Sako after the date of termination, with the exception of fees earned for services satisfactorily performed, and documented expenses properly incurred, by Sako prior to the termination date.

5. Records.

Sako, its employees and agents will maintain detailed and accurate books and records of account with respect to activities undertaken on behalf of Philip Morris. Philip Morris or its designated agent may inspect, review and copy Sako's books and records during normal business hours upon reasonable, advance notice to Sako and at the expense of Philip Morris.

6. Ownership.

All material prepared or developed by Sako in connection with the Agreement, including the Report and the IRP, will become the property of Philip Morris and Sako hereby agrees to assign to Philip Morris any and all rights to copyright the material. Sako will not engage, or permit the creation of any copyrightable material for Philip Morris by, any person who is not a regular full-time employee whose work is performed under Sako's direction and supervision and on Sako's business premises unless that person agrees in writing to execute an assignment to Philip Morris of any and all copyrights in and to the material in a form acceptable to Philip Morris. Upon the acceptance by Philip Morris of any copyrightable material prepared by Sako, Sako, at the request of Philip Morris, will cause any person who owns any copyright interest in any of the materials to assign all of its right, title and interest to Philip Morris and will assign all of Sako's right, title and interest in and to the material to Philip Morris and in each case

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will deliver an assignment in a form acceptable to Philip Morris. Sako will obtain all releases necessary to the proper performance of the Agreement.

7. Confidentiality.

Sako, its employees, agents, representatives and subcontractors will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by Philip Morris to Sako or created or acquired by Sako in performing services pursuant to the Agreement. Sako will not use or disclose to any third party the existence or terms of the Agreement, any such information or materials or any other confidential information for any purpose other than to fulfill its obligations under the Agreement and will cause the information and materials to be retained in complete confidence and prevent the improper use or disclosure thereof by Sako's employees, agents, representatives and subcontractors. Sako will require all subcontractors and representatives providing services on behalf of Philip Morris to enter into signed confidentiality agreements with Sako in a form approved in advance by Philip Morris, and will actively enforce the terms of the confidentiality agreements. If Sako is requested or required to disclose confidential information to any third party in connection with any ongoing civil or criminal investigation, or any judicial or administrative proceeding, Sako will promptly notify Philip Morris so that Philip Morris may, if it chooses, seek an appropriate protective order. Upon the termination or expiration of the Agreement, Sako will return promptly all materials to Philip Morris. Sako's obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

8. Exclusivity.

During the term of the Agreement, and for six months thereafter, Sako will not, without the prior, written consent of Philip Morris, render similar services to any person, company or other entity whose business competes with any tobacco, food or beverage products of Philip Morris.

9. Indemnity.

Sako agrees to indemnify and hold harmless Philip Morris, its affiliates and each of their respective officers, employees, directors and agents from all claims, liabilities, costs and expenses, including reasonable attorneys' fees, that arise from, or may be attributable to, any error, omission or fault of Sako or any subcontractor of Sako. Sako's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

10. Insurance.

Within ten days after the complete execution of the Agreement, Sako, at its own expense, will provide to Philip Morris certificates of insurance issued by insurers acceptable to Philip Morris evidencing coverage for: (i) comprehensive general liability, including contractual liability, with a combined single limit of no less than $5,000,000 per occurrence for bodily injury, including personal injury, and property damage; (ii) statutory workers' compensation coverage meeting all state and local requirements including coverage for employer's liability with

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limits of no less than $500,000; (iii) comprehensive automobile liability coverage for all owned, non-owned and hired vehicles with a combined single limit of $5,000,000 per accident; and (iv) professional liability coverage with limits of no less than $1,000,000 per occurrence. The insurance certificates required by subparagraphs (i) and (iii) must name Philip Morris, its affiliates, employees and assigns as additional insureds and must state that Philip Morris will be provided at least thirty days' advance, written notice of any cancellation or modification of the insurance. The insurance required must be primary coverage without right of contribution from any other Philip Morris insurance. Insurance maintained by Philip Morris is for the exclusive benefit of Philip Morris and will not inure to the benefit of Sako.

11. Independent Contractor.

Sako is an independent contractor and the Agreement will not be construed to create an association, partnership, joint venture or relation of principal and agent or employer and employee between Philip Morris and Sako or any of Sako's employees or agents within the meaning of any federal, state or local law. Sako will not enter into any agreement, oral or written, on behalf of Philip Morris or otherwise obligate Philip Morris without Philip Morris' advance, written approval.

12. Third Party Contacts.

If at any time Sako is contacted by a third party, including the media, other than as contemplated by the terms of the Agreement, concerning Sako's activities on behalf of Philip Morris, Sako will make no comment, immediately notify Philip Morris of the third party contact and refer the third party to Philip Morris, Senior Vice President, Corporate Affairs.

13. The Philip Morris Names.

Sako recognizes and acknowledges that the **Virginia Slims** name, the **Virginia Slims Refresh and Renew** slogan and the names of any and all other Philip Morris brands and the designs, emblems and insignia of the respective brands, and the goodwill associated therewith, have great value and are the sole property of Philip Morris. Sako agrees that it has and will claim no right, title or interest in the same or the use thereof other than the limited right to use pursuant to the terms and conditions of the Agreement. Sako will make no use of any kind of the name, design, emblem or insignia of any Philip Morris brand without the advance written consent of Philip Morris.

14. Miscellaneous.

A. The Agreement and all matters collateral hereto will be governed by the laws of the State of New York applicable to agreements made and to be performed entirely within the State of New York.

B. Sako will comply with all applicable laws, regulations and ordinances relating to its performance of the Agreement. Sako acknowledges that it is cognizant of the provisions of 15 U.S.C. § 1331 et seq. and of the Master Settlement Agreement executed as of

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November 23, 1998, by certain tobacco manufacturers and the Settling States (as defined in the Master Settlement Agreement).

C. The Agreement is the complete agreement between the parties and supersedes any prior oral and written agreement between the parties concerning the subject matter of the Agreement.

D. If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

E. The Agreement may not be modified, amended or assigned except in a writing signed by both parties. If an assignment occurs, the assignment will not relieve the assigning party of its liabilities or obligations under the Agreement. The Agreement is binding upon successors and assignees of the parties.

F. A waiver by either party of any term or condition of the Agreement in one or more instances will not constitute a permanent waiver of the term or condition or any other term or condition of the Agreement or a general waiver.

G. Notices provided hereunder will be in writing and hand delivered or sent by certified mail, return receipt requested. Notices to Sako will be sent to Sako & Associates, Inc., 3721 Ventura Drive, Suite 100, Arlington Heights, Illinois 60004, Attention: Rolf Sletten. Notices to Philip Morris will be sent to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, Attention: Darryl Tatum.

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IN WITNESS WHEREOF, the parties have caused the Agreement to be duly executed as of the date first written above.

SAKO & ASSOCIATES, INC.	PHILIP MORRIS INCORPORATED
By:_____	By:_____
Print:_____	Print:_____
Title:_____	Title:_____
Taxpayer I.D.#:_____	
Filing Status:_____	

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Exhibit A

Fees

Project Position	Hourly Rate	Number of Hours	Extended
Project Manager	$140	76	$10,640
Senior Project Consultant	$105	278	$26,220
Project Consultant	$90	120	$10,800
Word Processor	$55	28	$1,540
Fee and Hours Totals		502	**$49,200**

Expenses

Round trip coach airfare (8 trips)	$8,100
Hotel	$3,000
Meals	$1,300
Rental car	$1,200
Limo service	$300
Miscellaneous travel expenses (tolls, povm, etc.)	$150
Parking	$200
Long distance telephone	$750
Faxes	$200
Binders for IRP	$500
Photo copies	$900

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Miscellaneous supplies related to production of IRP's	$200
Overnight express delivery service	$500
Subtotal Reimbursable Expenses	$17,300
Total Fees and Expenses	**$66,500**

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